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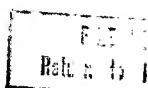
April 15, 1974

Dear Danny:

Thought you'd be interested in Jim's comments regarding Intelligence (Page 10 of the attached) at his visit to the National Press Club on 11 April. You might also be interested in some of his other points.

Incidentally, Bruce Clarke gave us a bang-up briefing on MBFR at this morning's Armed Forces Policy Council meeting.

*Come by when you are
in the building -
All the best
Jack*



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Q: Are you comfortable with the quality of our intelligence gathering and estimates? Is the Central Intelligence Agency up to snuff?

A: I think that the United States Government spends a substantial sum on the gathering and collection of information. Collection activities of the United States intelligence community are extraordinarily impressive. I should underscore the fact that there have been very substantial reductions in the manpower requirements in this area in the period since this Administration has been in office. Manpower has been reduced by something on the order of 45 or 50 percent. But the collection activities are unsurpassed.

With regard to intelligence estimating, policy makers are rarely satisfied with the product. Intelligence estimating is an extremely difficult job -- one is attempting to look into the future. When one is right nobody counts that. When one is wrong, the criticism is widespread. The intelligence community, and particularly the estimators, are a built-in scapegoat. So I would say that we can always improve the estimates which are the product of the intelligence community, but the people in the estimating business are continually working to upgrade their product. Once again, we must be eternally watchful to see that we do not get into sleepy habits. But I underscore the very great difficulty in the estimating area. It is not an area in which the same kind of scoreboard of success can be applied as in the collection area.

Remarks by
Secretary of Defense James R. Schlesinger
at the National Press Club
Washington, D.C.
Thursday, April 11, 1974 - 1 P.M. (EDT)

This is my first meeting with the National Press Club. I am delighted to be here with you today, or I think I am delighted. I recall that it was at this very organization and from this platform that Arthur Krock made his celebrated observation with regard to the government and those who cover the government, that there should not be too much friendliness and association between Presidents, Cabinet members, senior officials and the working press. That association should not be too close.

I think that Mr. Krock would be extremely proud of his colleagues in this period.

Let me use that as an entry into a theme that I would like to discuss for a few minutes, and that is the state of morale among our Western nations. This is a theme that I have discussed with some of you before and it has become, for obvious reasons, increasingly fashionable of late.

Democracies operate on the basis of consensus. They operate on the basis of shared values; general agreement about the objectives of the society. We have some question today about the moral vision and moral stamina of our Western societies. The moral stamina of these societies is what provides us with a foreign policy and in addition to a successful foreign policy, reflects the general health of the body politic.

But it is my purpose to talk more in terms of the impact of our present discontent upon our foreign policy, because it does not do any good just to pile up weapon systems and force structures. Foreign policy, to the extent that it is buttressed by the military capabilities of our country and our allies, is dependent upon the underpinning which is represented by the moral stamina of those societies. We must recognize that throughout the Western world there is some present disarray occurring more overseas, more outside the United States than in the United States.

The problem of our society today is not undue naivety or simple straight-forward enthusiasm. That was true, I think, a decade or more ago. You will remember covering the enthusiasm of the Peace Corps volunteers a decade or more ago when they went out to remake and to save the world.

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There is little of that belief and that enthusiasm today, and that is a great tragedy for all of our societies. The problem that we face, I think, as a society, is a widespread cynicism which can be corrosive. Cynicism has been defined as knowing the price of everything and the value of nothing.

So as we deal with the problems of our society, and as you in the press make clear some of these problems and some of these deficiencies, I hope that you will keep in mind, given the state of morale amongst our western nations, the need to keep the value which our societies represent prominently in the view of your readers. I think that is a moral obligation of the press. I see this small device here which reminds us of time past, and I am reminded of Charles MacArthur's and Ben Hecht's play "The Front Page" which advertised as its quasi-hero a chap named Hildy Johnson, tough, hard boiled, but somewhere down there there was recognition of the bonds that hold a society together. Consequently, I hope as you review the difficulties which exist and which always will exist in human institutions, that you will explain to your readership how these things are rooted in American institutions and in our foreign obligations so that, although the deficiencies of our society are made clear, at the same time the values of the society are made clear.

It was some 50 years ago that Warren Harding, at his inaugural, coined a new term "Normalcy," reflecting the disenchantments of the First World War and the desire of the American society to withdraw from the problems in which it had become enmeshed. There is a nostalgia for "normalcy." But in the words of Thomas Wolfe's book, you can't go home again. None of us can go home again, seriously, for the consequences of our going home again would be disastrous from the standpoint of the freedoms and the values which are common to the Western democracies.

At the present time the United States and the Soviet Union alone dispose military capabilities which for the foreseeable future will not be available to any other nation or set of nations in the world. Therefore, it becomes the peculiar responsibility of the United States and the Soviet Union -- their paramount responsibility -- to arrange an equilibrium of forces so that we preserve a stable world order and at the same time, hopefully, a world order which gradually moves toward a condition which we would regard as more desirable than the present condition, or more normal than the present condition. But that depends upon the maintenance world-wide of a balance of forces.

The structure of world politics that existed before 1939 can never again be recreated. In the period after 1939 there was in existence a set of free world forces which was out there skirmishing and behind it the United States was able to become the arsenal of democracy. In the world that we live in today there are no

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intermediate powers of equivalent strength. It depends upon the United States as the critical element in maintaining that world-wide balance of military forces. And it is upon this balance that our hopes for stabilization and our hopes for detente rest. The elimination of that world-wide balance would be grossly destabilizing and would, I think, be detrimental to the wishes and the hopes of those who look towards a progressive betterment of our political relationships with the Soviet Union through detente.

I should like to make one further observation with regard to the military establishment and the military services. A democracy obtains the type of military establishment, the type of armed forces, that it deserves. The armed forces will be shaped in the image of whatever society they are embedded in and particularly this is true of democracies. If we treat with honor and respect those who have dedicated their lives to the awesome responsibility of managing controlled force for the protection of the society, we will have one result. If, by contrast, we should subject these institutions to undue abuse or to scapegoating, I think that it will be detrimental in the long run both to the health of those military institutions as well as to their place in the society. Not all wars can be crusades. As was the Second World War or what is sometimes referred to as a glorious little war like the Spanish-American War which was over quickly and triumphantly. There are longer wars. It is peculiarly in those longer wars--in which disenchantments come--that the armed services require the support and the sympathy of the American public.

We have in the Department of Defense 3.1 million employees, approximately. I do not wish to suggest that there are not errors, and errors of judgment, and misdemeanors and felonies which occur within the Department of Defense. 3.1 million people represents a very significant little nation in itself -- it is equivalent in size to most of the nations in the UN. The people in the Department of Defense while above average in my opinion, will be no more free than anybody else from the sins that afflict all mankind and the attributes that affect our society. I think that it is necessary for us to look at these deficiencies, to root them out, to take when necessary corrective action, to put in place instrumentalities, hopefully, to reduce the number of errors of omission or commission. But I cannot suggest to anyone that the DOD will operate correctly with a perfect batting average under all circumstances. That is beyond our capacity.

You will be reading about some of the errors of judgment. Where we make an error we should correct it. But while you read about those errors of judgment and while you read about the mistakes that have been made -- the foolish things that have been done -- remember also that the true news is, in the environment in

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which we live today, that there are countless dedicated people out there, as there are in Washington, working to make effective the armed services of the United States so that they are a satisfactory and effective shield of the Republic and more important, so they will serve the role of maintaining the world-wide balance on which our hopes for detente rest.

I think that I will terminate my formal remarks at that point. I see a whole set of questions here. I take it that the questions will not be provoked by my formal remarks since they arrived before these remarks. In any event, I was not precisely sure what I was going to say at the time that the questions came up.

Thank you very much.

Mr. Lamont: Thank you. I always like to start off with an easy, general, friendly question, Mr. Secretary. As you noted, we do have quite a raft of questions that have come up. Some of them are sent up perhaps by reporters who remember those front page days.

In any event, the first question, since you referred in your remarks, you suggested it might be well for the press to keep the values of our society prominent in the public's attention, this question is: Has the White House kept the values of our society prominent in the public's attention?

A: I believe that the events of the last year and a half -- the last year-have displayed for negative reasons as well as positive reasons, the fundamental effectiveness of the institutions that the United States represents. I think that the White House has very carefully acknowledged, sometimes in ways that you may think are not totally responsive, but that the White House has acknowledged these fundamental values of the American society and pays homage to the same set of standards that applies to America at large.

I believe that we are going through a period of difficulty at the present time. But it is my judgment that the resilience of the American public and the American institutions will be such that we will ultimately come out of this present period of difficulties a stronger nation.

Q: In his farewell address as President, Dwight Eisenhower warned America to beware of the military-industrial complex. Mr. Secretary, do you not in one person represent both?

A: I think that President Eisenhower was using the military industrial complex in the singular rather than referring to a duality. Indeed, to a certain extent, I do represent the military component on its civilian side of the military-industrial complex so-called. I do not believe that industry would regard me as an appropriate representative of the industrial arm of that complex, but you can inquire of people

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My role is primarily to help shape the Department of Defense and military services so that they can indeed serve the purposes that I referred to during my more formal remarks. That means many changes, not all of them satisfactory to the military services themselves in view of their own proud traditions.

The industrial arm of this complex once was referred to as the arsenal of democracy. We must remember that it is these institutions, in their symbiotic relationship, that provide America with the military strength with which it serves its world-wide objectives. We must be prudent in the use of resources in supporting those institutions. They should not burgeon. They have in recent years shrunk by better than 35 percent. Manpower in the military establishment today is the lowest that it has been since before Korea.

President Eisenhower in his speech, if it is read in its entirety, did indeed express concern about the use of influence to elicit the purchase of weapon systems of a type or to a degree that was unnecessary. That is and was an appropriate concern. It is my responsibility as a public servant to keep such tendencies in bounds. But President Eisenhower in the very same speech talked about the need to maintain the military strength of the United States without exaggerations--but to maintain it for the long haul--without undue ups and downs in order to preserve the freedoms that our society possesses.

I think it important, therefore, to be discriminating in judgments about the so-called complex. It is in a period in which there is undue enthusiasm for things military that the taxpayers' money is most likely to be wasted. I do not think that this is a period of undue enthusiasm for things military.

Q: Fiscal year '75 selected Reserve strength programmed is the lowest since the early Eisenhower years. Is this reduced strength consistent with "increased reliance" on the Reserves? Will Congress go along?

A: Let me emphasize what we are trying to do with our Reserve establishment; that we are trying to make it an effective supplement to and substitute for our active duty forces, that adjustments must come in our Reserve establishment in the same way that adjustments must come in our active duty establishment. There is sometimes more concern and undue concern in the Reserve establishment about such changes. The policies of the Department of Defense continue to embrace the Total Force concept which means effective reliance on the Reserves. We have had adjustments in the '75 budget of Reserve strength, but we also are moving at the same time to make the Reserves more effective as an adjunct to our active duty forces.

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The problem that has existed with the Army Reserve is that it takes 60 to 90 days and sometimes as long as 120 to 150 days before those forces are ready. We are now following a process with the Army Reserve of associating reserve units with active duty forces. In this way we believe that we can substantially increase the readiness of those forces should they be needed in a brief period of time.

There have been adjustments of the Air National Guard. The Air National Guard is a crackerjack outfit. The adjustments in the Air National Guard have come about because the mission, one of the missions in which the Air National Guard was particularly heavy, the air defense mission, is one that has become increasingly irrelevant as the major force posture of the Soviet Union has become predominately based upon ICBMs. The Soviet Union has, and will retain, the capability to destroy any and all American cities. The existence of air defense capabilities to protect against nuclear attack, under those circumstances, may provide some comfort, but it does not change the substantive problem. For that reason we believe that the resources of the Department can be more effectively employed outside of the air defense area. We have substantially reduced the active duty Army forces engaged in continental air defense, save in the Southeast part of the United States. We are reducing the Air Force active air defense capabilities and the Reserve air defense capabilities. They perform their mission well, but that mission is increasingly obsolescent. What we plan to do with the Air National Guard increasingly, if we are able to obtain the equipment, is to make them a supplement once again to our active duty forces both in terms of military airlift and in terms of general purpose forces.

Will the Congress go along? I believe so, because I believe that the Congress will wish that the resources provided by the American taxpayer are effectively employed for the purpose of providing those capabilities which must augment the U.S. defense posture on a world-wide basis. I know that there are some parochial interests, but I believe that the Congress overall wants to have the Reserve establishment an effective adjunct, supplement and substitute for our active duty forces. As this is better understood, I think that we will have the full cooperation of Congress. In the long run the health of the Reserve establishment is dependent upon their performing this kind of useful function. In the long run the health of the Reserve establishment would not be well served by porkbarrel politics.

Q: Are we far enough along on detente to permit any new meaningful defense cuts?

A: As you know, the Department of Defense has substantially changed its force structure since the period prior to Vietnam and more notably since the peak in 1968. As compared to the

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the period 1968, as we have reduced about 35 percent in terms of our total force structure. The reason for the reduction in our Total Force structure is in part the changed position of the United States vis-a-vis China and the Soviet Union.

During this period of time the gross military capabilities of the Soviet Union have increased significantly, not only in terms of nuclear strategic forces which are well advertised, but in terms of the general purpose forces. From 1965 to 1969 most of this buildup went in along the Chinese border. From 1969 on this buildup has gone on in Eastern Europe so that there are now better than 460,000 Soviet ground forces in the NATO guidelines area -- East Germany, Poland and Czechoslovakia. There is a significant buildup.

As my more formal remarks indicated, the military posture of the United States must be based upon the maintenance of a world-wide military balance, and it requires adjustments bilaterally rather than unilaterally if that balance is to be maintained. We cannot, I think, further reduce our forces unilaterally. I think that for the years immediately ahead that we are okay with regard to strategic forces. We are on the thin side with regard to general purpose forces which have been, as I indicated, substantially reduced.

Our force posture must be based upon the notion of balancing the military capabilities that are external to the United States. If we are to have security, that security must rest upon the strength of the military establishments of ourselves and our allies and not ultimately rest on the good will of others. Consequently, as one looks at the balance today, I think that we must maintain our strength. If the balance changes, then we can adjust downward. But we should not adjust downward simply because of the improvement in political tone and political relations that exist between ourselves and the Soviet Union.

Q: If the SALT I agreement was a good agreement, why are we objecting to the Soviet ICBM improvements allowed under that agreement?

A: The SALT I agreement was a good agreement in two senses: First, in the Bases of Agreement it was indicated that neither side would seek to obtain unilateral strategic advantage. That point is preeminent, and it must be observed as we go forward with further negotiations on strategic arms limitation.

The SALT I agreement was recognized from the outset to be based upon a balance which was transitory. There was an offset of advantages in the technological area possessed by the United States, and these were compensated for by Soviet forces

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larger in terms of numbers and of gross throw-weight. Because Soviet technology was not equal to American technology the Soviets were not able to exploit those throw-weight and numbers advantages. Over the long haul, and not just the five years specified in the interim agreement, throw-weight and numbers become increasingly important. If we abide by the fundamental premise of the Bases of Agreement that neither side shall seek strategic advantage, we must recognize that as we seek a permanent agreement the transitory advantages that were possessed by the United States at the time of the signing of the agreement in May of 1972, an agreement that was limited to five years, will ultimately disappear, and that consequently these forces must be brought into better balance.

As the Soviets acquire MIRV technologies, better RV design, better weapon design, greater accuracy through improved guidance systems, those improvements should in light of the fundamental notion that underlay SALT I be adjusted downward or, if that does not occur, the numbers in throw-weight of the United States will have to be adjusted upward so that we maintain a condition in the long run of essential equivalence.

Q: You have concentrated quite sharply on military balance. Do you perceive any threats in situations where there is no balance such as a third world versus industrialized world confrontation with the People's Republic of China in one camp and the U.S. and Soviet Union in the other, and the stakes being the economic and cohesion well being of those countries?

A: I think that there will be occasional difficulties. I would not expect a widespread, world-wide confrontation of the type that is laid out here. In any event, such a confrontation would be based not on military forces, because as I indicated earlier, the military capabilities available to the Soviet Union and the United States are in a class by themselves.

I think that there will be difficulties, but one should not presuppose that in the complex and variegated set of nations that we refer to as the third world, that they will come together in unity with the Chinese People's Republic in a way that will confront the industrialized world. That does not say that there will not be difficulties. There will not be, however, the kinds of military confrontations for which we prepare the Department of Defense, nor will there be the kinds of widespread economic political confrontations which the question raises, in my judgment.

Q: What are the prospects then for a major North Vietnamese offensive within the next six months?

A: I think that we have seen over recent months a substantial diminution in the probability of such an offensive. We cannot exclude it entirely, but the odds are now against it. We would not expect it. I think that the ARVN forces have been in the lapses from ceasefire, giving a good account of themselves, an account

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of themselves, by the way, that no one might have anticipated four or five years ago. It would not have been expected that in the majority of engagements ARVN would do as well regularly as it has done.

If I may use this opportunity for a small appeal. The cost of that war, or the cost of the continuing hostilities, is much reduced to the United States. It is now about four percent of what it was at the peak. We withdrew our forces from Vietnam. We were not told by the South Vietnamese "Give us the tools and we will do the job." Instead, we informed them that we would give them the tools and the munitions and that they were expected to do the job. It was necessary for us to continue to supply the munitions necessary to maintain the South Vietnamese end of that commitment.

In a very real sense the specific objective for which the United States, wisely or unwisely, entered the war in Southeast Asia has been achieved. There are many other developments that have occurred in the interim between 1963 or 1965 when U.S. presence became larger, but the fundamental objective of allowing this State to survive as an independent entity has been achieved. I recognize the costs internally to the United States, but I would also urge that under the circumstances we should pay the small price of supplying the munitions that are necessary; otherwise we will be violating, in my judgment, our moral obligation.

There are those who complain about the price of this war. In October of this year hostilities broke out in the Middle East. Within weeks a supplemental request was submitted to the Hill for \$2.2 billion for Israel. In that period of time we were continually urged by people on the Hill, some of whom have not been sympathetic to the munitions requirements in South Vietnam, to do whatever was necessary to insure the survival of Israel. Combat in the Middle East went on for three weeks, and the bill was \$2.2 billion. Expenditures in Cambodia are running about \$400 million a year. The cost of munitions is not insignificant; but the cost, I think - in terms of American respect for itself, in terms of the respect of others, in terms of American credibility and belief in itself -- of not supplying those munitions would be much larger.

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Q: Are you comfortable with the quality of our intelligence gathering and estimates? Is the Central Intelligence Agency up to snuff?

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Q: We're running short on time. I have tried to pick two or three questions here that could be answered briefly. Moshe Dayan, when he was here, asked for the Shrike. Did he get them?

A: Shrikes were delivered to Israel during the month of October, I believe. I am not aware at the moment of the present delivery requests. I would assume that the Shrike is amongst them, but I can check on that and Jerry Friedheim can inform the press. The Israelis did receive the Shrike some six months ago.

Q: I think we may have a Marine in the audience. This question: Are you or your staff proceeding with plans disclosed recently in the Detroit News to slash the Marine Corps in half or transfer Marine aviation to the Air Force?

A: Colonel Heinl, is this your handwriting?

I know of no plans to slash the Marine Corps in half. I think the major thrust of my objectives with regard to the force structure of the Department of Defense, despite the publicity that has been attached to changes in strategic forces, is that the United States is a little thin on the general purpose forces side. The Marine Corps is a hell of a good outfit. Consequently, I cannot think of any reason for wanting to slash the Marine Corps in half. Given the need that I perceive for general purposes forces, that does not seem to me to be a sensible thing to do or consistent with any objectives that I would have for the general purpose forces.

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On the "transfer" of Marine aviation to the Air Force; in the course of our review of possibilities for the 1976 budget, we are examining force interdependence, and we will proceed to examine what the Marine Corps requirements are for aviation. How well suited the existing method of dealing with Marine Corps requirements is, and the whole question of interdependence in terms of tactical air will be examined. I predict no outcome at this time as to the results of that examination. The JCS have been requested to proceed with such an examination.

Q: We have a lot of people here who are trying to help you with your work, sir. This question: Our friends in Europe and Japan are bartering their goods for Middle East oil. When are you going to be realistic and barter our military goods for oil? Isn't it about time for us to lever and use our economic power?

A: I do not know whether we deserve credit or blame on this score, but the armament sales by the United States to the Middle East, exclusive of the Israeli supplemental to which I referred a few minutes ago, vastly exceed the armaments sales by any other supplier nation. We are receiving cash, and that foreign exchange can be expended for oil or it can be expended for other purposes. We live in a monetary economy. Barter arrangements are a second best. So, as long as we are able to obtain the supplies that we need and as long as it serves the purposes of American foreign policy to provide armament supplies, we will continue to do so.

Mr. Lamont: Mr. Secretary, I think I can speak without worrying too much about being challenged in stating to you that it is generally considered that you are one of the hardest working, most efficient, capable government officials we have. We've run out of time, but I want to, before I ask a final quick question, I want to present you with the National Press Club Certificate of Appreciation to show you our appreciation for being here today and for your past cooperation with the press. We will try not to get too friendly.

Also, just in case things get a little chilly out there, we have this Press Club jacket that you might wear as a windbreaker and sometimes Washington can be a windy town.

Now that last question, sir: According to columnist William Safire, Gerald Ford was speculating about who would serve in his Cabinet if he becomes President. His plans apparently do not include you. Would you say that Ford has had a better idea?

A: A Cabinet member serves at the pleasure of the President. I expect to continue to serve this President. I cannot forecast the future. I have had a good working relationship with Gerald Ford, but I am not expecting any changes to occur, and in the future I am prepared to serve, continue to serve, so long as I am needed.

Thank you very much.

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